Restructuring the investment Plan

6005. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the controversy raised in respect of the UTI investment plan;

(b) if so, what steps Government are going to take for restructuring the investment plan; and

(c) whether any discrimination by UTI has come to the notice of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Government is aware that investments by UTI are extensively analysed financial analysts in the media.

(b) and (c) UTI has reported that its investment decisions are made having regard to the investors interests. UTI's operations are guided by the UTI Act, UTI General Regulations and SEBI guidelines. The regulations provide for prudential exposure norms and limits. The functioning of the Trust is also monitored by a Board of Trustees and all investment/disinvestment decisions are reported to the Board of Trustees and the Executive Committee at periodic intervals.

Official recognition to Badla System by SEBI

6006. SHRI RAJNI RANJAN SAHU : Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to give official renognition to Badla system by SEBI;

(b) whether there is a proposal to reduce financing rate by making Badla financiers as official member brokers; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) A Committee recently constituted by the Securities and Exchange Board of India (SEBI has recommended a new system of carry-forward of transactions in shares with several features. The recommendations of the Committee on the new system of carry-forward of transactions are still under examination of SEBI.

Abolition of Import Duty on Aluminium

6007. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether there is any plan to abolish import duty on aluminium;

(b) if so, the details thereof;

(c) whether it is a fact that the imported metal will be much costlier than the indigenous aluminium; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) In view of (a) above, does not arise.

(c) and (d) The present indigenous price of aluminium ingots produced by NALCO the largest producer of primary aluminium in the country

is Rs. 64,000/- per metric tonne. the price of the imported metal varies from day-to-day depending upon the London Metal Exchange prices. Current L.M.E. prices are of the order ded down from 3 to 32 per cent.

Credit deposit ratio of Bihar

6008. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Credit Deposit ratio of Bihar has slided dow from 38 to 32percent.

(b) if so, the reasons therefor;

(c) what is the current deposit of Commercial Banks during past year and what is the total advance made by them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Reserve Bank of India has reported that C.D. Ratio of Scheduled Commercial Banks in Bihar has come down from 38.8 per cent in March, 1993 to 33.5 per cent as at the December, 1994.

(b) The main reasons for the decline in C.D. Ratio in Bihar are:—

(i) High rate of growth in bank deposits;

(ii(Lack of infrastructural facilities;

(iii) lack of projects of high value;

(iv) unfavourable recovery climate;

(v) banks' anxiety for reducing their non-performing assets;

(c) Deposits and advances of all scheduled commercial banks in Bihar as on 31.12.1994 were Rs. 14077.79 lakhs and Rs. 4716.18 lakhs respectively.

Rise in inflation

6009. SHRIMATI ANANDIBEN JETHABHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) why inflation rate shot-up again recently and crossed 10 point;

(b) whether Government have taken any action to curb inflation; and

(c) whether it is a fact that due to more deficit financing inflation has gone up?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The renewal of inflationary pressures in last fiscal year is ascribed to the large expansion in the monetary variables, besides the short term supply imbalances due to produntion short-falls in sugar, cotton, jute and groundnut in 1994-95. In recent weeks a distinot decleration has brought down the inflation rate to 8.6 per cent (provisional) as on 29.4.95. The Government remains vigilant about the need to arrest the rate in prices and a number of steps have been taken to ensure that inflationary pressures are contained. Some of the steps taken were:

(i) Release of foodgrains from public stocks through open market sale by Food Corporation of India.

(ii) Placing import of sugar on OGL at zero duty.

(iii) Ensuring sugar availability for PDS by importing at zero duty.

(iv) Allowing import of palmolein oil under OGL during 1994-95.